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Russian Federation

Oilseeds and Products

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Total 2002/03 oilseed production is estimated at 4.1 million metric tons (mmt), almost a 30 percent increase from the previous year. Consumption is forecast at over 3.8 mmt, also an increase from the previous year due to expanded crush consumption. A recent GOR resolution removing the current five percent import duty on soybean meal might stimulate imports to fuel domestic feed use. However, tariff preferences given to developing countries and unresolved GMO registration requirements may mitigate any gain to the U.S.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Moscow [RS1], RS

Production

Post estimates total 2002 oilseeds production at 4.1 million metric tons (mmt), almost a 30 percent increase from the previous year. All of this increase is due to sunflowerseeds, which will exceed 88 percent of total production of all oilseeds in Russia.

As of the beginning of February 2003, official production data was available only for sunflowerseeds. In 2002 sunflowerseeds were planted on 4.1 million hectares, an increase of almost eight percent over the previous year. Of this four million hectares sown, three million were in agribussinessess, one million in private farms, and less than one percent in individual households. According to preliminary data of the State Statistical Committee (Goscomstat) of the Russian Federation, total production of sunflowerseeds reached 3.63 million metric tons, 35 percent more than in 2001, while the Ministry of Agriculture estimates output at 3.42 mmt. However, some specialists consider that the final clean weight after removal of excessive moisture and foreign materials will not be higher than 3.2 mmt. The high moisture content is the result of extremely bad conditions while harvesting. In some regions harvesting went on until mid December due to incessant rains and snowfalls. Post includes official Goscomstat data in the PSD, but decreases the extraction rate for meal and oil to reflect the high moisture content of the 2002 sunflowerseed crop.

Post decreases the soybean production forecast from 370,000 metric tons to 360,000 metric tons in spite of increased area sown to soybeans. In the Russian Far East, where more than 85 percent of soybeans are grown, part of the crop suffered from early snowfalls in mid October, the usual time of harvesting.

Consumption

Post forecasts consumption of oilseeds (sunflowerseeds and soybeans) at over 3.8 million metric tons, a 23 percent increase from the previous year due to the bigger sunflowerseed crop. Crush consumption is forecast to increase to 3.65 mmt from 2.9 mmt, while food use and seed use will remain at almost the same level as the previous year. The forecast for crush is close to the present capacity of domestic oil refining and crushing plants, which Goscomstat estimates at 4.4 mmt, but at least 15 percent of this capacity is in poor condition. Demand for processed oilseeds products (meal and vegetable oil products) is increasing, although consumption data is not available. However, production of margarine and mayonnaise has been growing steadily since MY 1998 (the first year of publication of official data on production of these products), which supports the estimate of increased demand.

Trade

Post forecasts imports of oilseeds at 120,000 metric tons, including 110,000 metric tons of soybeans, almost 70 percent more than oilseeds imports in MY 2001/02, which are based on the official State Customs Committee data. Exports of oilseeds (mostly sunflowerseeds) are forecast to increase significantly from 21,000 metric tons to 210,000 tons in MY 2002/03, but will still not reach the levels of previous years due to increased domestic demand of the crushing industry and high export duties.

Imports of protein meal, all of which is soybean meal, are forecast at 280,000 metric tons, a 20,000 tons increase from the reported imports in MY 2001/02. Exports of oilseeds meal will remain low. Post forecasts a decrease in imports of soybean oil from 525,000 metric tons in MY 2001/02 to 350,000 metric tons in MY 2002/03 due to bigger domestic production of vegetable oil and an almost doubling of exports of sunflowerseed oil. Imports of vegetable oil exceeded 1.1 mmt in MY 2001/02. However, in October-November 2003 Russian vegetable oil imports were only 122,000 tons, lower than in the same period of any year since 1999.

In order to stimulate domestic production of poultry products, the Government Commission on Protective Measures in Foreign Trade at the Ministry of Economic Development and Trade made a decision on December 30, 2002 to remove the current five percent import duty on soybean meal, which is a major source of protein in poultry feed. This decision could stimulate imports of soybean meal, however, the benefit to the U.S .could be mitigated by two factors. First, the GMO registration procedures for feed use are still in a state of flux. Secondly, tariff preferences are given to imports from developing countries decreasing the competitiveness of soybean and soybean products from the U.S. These preferences are most obvious in imports of soybean oil. So these preferences on imports of vegetable oil may amount to 30 percent of the final price. For example, the present import duty for vegetable oil is 15 percent, but not less than 100 EURO per one metric ton of non-bottled food quality oil, and not less than 140 EURO per one metric ton of bottled (10 liters or less) oil. The discount is given for the "Minimum in EURO" as well, i.e. price of one ton of soybean oil (non-bottled) CIF Novorossiysk is approximately $400 per metric ton. If imported from the US, the customs duty is 15 percent ($60), but it shall not be less than 100 EURO (given the present exchange rate, in $US it will be approximately $110), while for Argentina the duty is "not less than 100 EURO minus 1/3 (the discount), which equals 70 EURO. This results in a more than $40 difference in price in favor of imports from developing countries.

Sunflowerseed Products

Sunflowerseeds

Post increases the sunflowerseed production estimate for 3.63 mmt (official Goscomstat data) and increases domestic crush to 3.19 mmt. Domestic demand and export duties remain high, but in October and November Russia already exported 60,000 metric tons of sunflowerseeds. Thus, Post increases the export forecast to 200,000 metric tons, almost 10 times higher than in MY 2001/02, but still much lower than in the previous five years. Post decreased exports in MY 2001/02 to 21,000 metric tons based on official customs data.

Table 1. Sunflowerseeds Supply and Demand, 1,000 MTs, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	4629	4629	4200	3821	4100	4100
Area Harvested	4629	4629	3800	3800	4100	4100
Beginning Stocks	45	45	35	35	5	5
Production	3915	3915	2700	2670	3500	3630
MY Imports	5	5	5	6	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	3965	3965	2740	2711	3505	3645
MY Exports	730	730	50	21	100	200
MY Exp. to the EC	600	600	100	0	100	100
Crush Dom. Consumption	3020	3020	2485	2485	3090	3190
Food Use Dom. Consump.	100	100	110	110	160	120
Feed,Seed,Waste Dm.Cn.	80	80	90	90	105	90
TOTAL Dom. Consumption	3200	3200	2685	2685	3355	3400
Ending Stocks	35	35	5	5	50	45
TOTAL DISTRIBUTION	3965	3965	2740	2711	3505	3645
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Sunflowerseed Meal

Production is forecast to increase to 1.22 mmt, of which post forecasts only 10,000 metric tons of exports due to high domestic demand. Sunflowerseed meal is much more attractive to meat and dairy producers, and can even replace soybean meal in poultry rations. The price of one metric ton of sunflower meal is more than seven times lower than the price of imported soybean meal. In table 2, Post made adjustments to MY 2000/01 export and imports data based on official Russian State Customs data.

Table 2. Sunflowerseeds Meal Supply and Demand, 1,000 Metric Tons.

PSD Table						
Country	Russian Federation					
Commodity	Meal, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	3020	3020	2485	2485	3090	3190
Extr. Rate, 999.9999	0.390728	0.390728	0.390342	0.390342	0.38835	0.382445
Beginning Stocks	0	0	0	20	0	0
Production	1180	1180	970	970	1200	1220
MY Imports	15	5	10	10	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1195	1185	980	1000	1200	1220
MY Exports	200	25	60	0	100	10
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	995	1140	920	1000	1100	1210
TOTAL Dom. Consumption	995	1140	920	1000	1100	1210
Ending Stocks	0	20	0	0	0	0
TOTAL DISTRIBUTION	1195	1185	980	1000	1200	1220
Calendar Year Imports						
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0

Caldr Yr Exp. to U.S.	0	0	0	0	0	0

Sunflowerseed Oil

Official Customs statistical data shows that in MY 2001/02 Russia exported only 55,000 metric tons of sunflowerseed oil, because internal demand for oil was huge and domestic prices were more attractive than prices on the international market. Given the high MY 2002/03 crop, Post expects crushers to increase oil exports and therefore increases the export forecast to 120,000 metric tons.

Table 3. Sunflowerseed Oil Supply and Demand, 1,000 Metric Tons

PSD Table						
Country	Russian Federation					
Commodity	Oil, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	3020	3020	2485	2485	3090	3190
Extr. Rate, 999.9999	0.413907	0.413907	0.412475	0.414487	0.412621	0.399687
Beginning Stocks	80	80	70	70	40	10
Production	1250	1250	1025	1030	1275	1275
MY Imports	170	170	170	170	170	170
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1500	1500	1265	1270	1485	1455
MY Exports	150	150	85	55	85	120
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	250	250	220	285	225	300
Food Use Dom. Consump.	1010	1010	910	910	1115	920
Feed Waste Dom. Consum	20	20	10	10	20	20
TOTAL Dom. Consumption	1280	1280	1140	1205	1360	1295
Ending Stocks	70	70	40	10	40	40
TOTAL DISTRIBUTION	1500	1500	1265	1270	1485	1455
Calendar Year Imports	0	0	0	0	0	0

Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Products

Soybeans

Post decreases the soybean production forecast to 360,000 metric tons in MY 2002/03. At the same time, Post decreases the import forecast to 110,000 metric tons based on the abundance of domestic sunflowerseeds. In table 4, Post adjusted soybeans imports in MY 2001/02 base on official customs statistical data.

Table 4. Soybeans Supply and Demand, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	350	350	420	420	430	430
Area Harvested	340	340	420	420	430	430
Beginning Stocks	35	35	20	20	20	20
Production	342	342	350	350	370	360
MY Imports	20	20	100	65	140	110
MY Imp. from U.S.	0	0	75	40	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	397	397	470	435	530	490
MY Exports	15	15	15	0	20	10
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	362	362	425	410	490	460
Food Use Dom. Consump.	0	0	5	0	0	0
Feed,Seed,Waste Dm.Cn.	0	0	5	5	0	0
TOTAL Dom. Consumption	362	362	435	415	490	460
Ending Stocks	20	20	20	20	20	20
TOTAL DISTRIBUTION	397	397	470	435	530	490
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Meal

Post forecasts soybean meal imports in MY 2002/03 at 280,000 metric tons, slightly higher than the previous year, but still much less than poultry industry "requirements", which are estimated by Russian scientists at 1.2 mmt. High prices, relative to sunflowerseed meal prices, SPS restrictions and requirements on prohibitive pests, ambrosia for example, and the fact that GMO registration procedures for feed are not finalized have hindered any increase in imports of soybean meal.

Table 5. Soybean Meal Supply and Demand, 1,000 Metric Tons

PSD Table						
Country	Russian Federation					
Commodity	Meal, Soybean				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	362	362	425	410	490	460
Extr. Rate, 999.9999	0.787293	0.787293	0.776471	0.780488	0.77551	0.782609
Beginning Stocks	60	60	10	10	15	10
Production	285	285	330	320	380	360
MY Imports	165	165	300	260	335	280
MY Imp. from U.S.	120	120	50	50	80	80
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	510	510	640	590	730	650
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	500	500	625	580	710	635
TOTAL Dom. Consumption	500	500	625	580	710	635
Ending Stocks	10	10	15	10	20	15
TOTAL DISTRIBUTION	510	510	640	590	730	650
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Oil

Post increases its estimate of soybean oil imports in MY 2001/02 to 525,000 metric tons - a record high in the history of Russian vegetable oil trade. Post also increases both consumption and ending stocks. Oil imports in MY 2002/03 are forecast at 350,000 metric tons.

Table 6. Soybean Oil Supply and Demand, 1,000 Metric Tons

PSD Table						
Country	Russian Federation					
Commodity	Oil, Soybean				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	362	362	425	410	490	460
Extr. Rate, 999.9999	0.146409	0.146409	0.141176	0.141463	0.136735	0.136957
Beginning Stocks	30	30	55	55	40	80
Production	53	53	60	58	67	63
MY Imports	315	315	420	525	350	350
MY Imp. from U.S.	14	14	0	15	0	0
MY Imp. from the EC	175	175	200	300	200	200
TOTAL SUPPLY	398	398	535	638	457	493
MY Exports	0	0	0	5	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	113	113	125	183	100	120
Food Use Dom. Consump.	230	230	370	370	307	323
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	343	343	495	553	407	443
Ending Stocks	55	55	40	80	50	50
TOTAL DISTRIBUTION	398	398	535	638	457	493
Calendar Year Imports						
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0